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EXECUTIVE SECRETARY

October 17, 2001

VIA HAND DELIVERYMr. K. David Waddell
Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243***Re: To Reconsider the Requirements on Local Exchange Companies
Adopted in Docket U-87-7492***

Dear Mr. Waddell:

Enclosed please find the original and thirteen (13) copies of the Comments of the Tennessee Small Local Exchange Company Coalition for filing in the above-referenced docket. I have also enclosed an additional copy of the Comments, which I would appreciate your stamping "filed," and returning to me by way of our courier.

Should you have any questions with respect to this matter, please do not hesitate to contact me.

Best regards.

Very truly yours,



R. Dale Grimes

RDG/gci

Enclosures

cc: Certificate of Service List
Mr. Bruce H. Mottern

**BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

IN RE:)	
)	
TO RECONSIDER THE REQUIREMENTS)	Docket No. 01-00799
ON LOCAL EXCHANGE COMPANIES)	
ADOPTED IN DOCKET U-87-7492)	

**COMMENTS OF THE TENNESSEE SMALL
LOCAL EXCHANGE COMPANY COALITION**

As requested by the Tennessee Regulatory Authority ("TRA") in a Notice of Filing dated September 27, 2001, the Tennessee Small Local Exchange Company Coalition files these comments on the issue of whether the TRA should continue requiring local exchange companies to annually adjust their access rates in accordance with the provisions established in Docket U-87-7492. The members of the Tennessee Small Local Exchange Company Coalition ("Coalition"), on whose behalf these comments are filed, are: (1) Ardmore Telephone Company, Inc.; (2) the Century Telephone Enterprises, Inc. Companies in Tennessee, consisting of (a) CenturyTel of Adamsville, Inc.; (b) CenturyTel of Claiborne, Inc.; and (c) CenturyTel of Ooltewah-Collegedale, Inc.; (3) Loretto Telephone Company, Inc.; (4) Millington Telephone Company, Inc.; (5) the TDS TELECOM Companies in Tennessee, consisting of: (a) Concord Telephone Exchange, Inc.; (b) Humphreys County Telephone Company; (c) Tellico Telephone Company; and (d) Tennessee Telephone Company; (6) the Telephone Electronics Corp. ("TEC") Companies in Tennessee, consisting of: (a) Crockett Telephone Company, Inc.; (b) Peoples Telephone Company; and (c) West Tennessee Telephone Company, Inc.; and (7) United Telephone Company, Inc.

The Coalition respectfully submits that annual adjustments of the Local Exchange Companies' Intrastate Carrier Common Line access rates in accordance with the provisions established in Docket U-87-7492 should no longer be required. Many changes have occurred in the telecommunications industry since the issuance of the Public Service Commission's Megacom Order on March 17, 1988, which make these annual adjustments no longer necessary.

First, CCL access rates have been reduced significantly in the ensuing years from their 1988 levels. Thus, there should no longer be a concern that long distance customers are paying "an increasingly larger share of the total costs of telephone service." Megacom Order, at 16. At the same time, the contribution made by all access charges to local exchange services continues to be a mainstay of rate design for local exchange carriers in Tennessee, which could be jeopardized by further access rate reductions. Second, in 1988, it was anticipated that toll minutes would continue to increase faster than access lines. Megacom Order, at 17-18. That is no longer the case. In fact, toll minutes for some local exchange carriers are on a downward trend. Third, the Megacom Order required AT&T, as an inter-exchange carrier, to pass on to its customers any reductions in intrastate CCL access rates resulting from the annual adjustments. Megacom Order, at 18. As AT&T is, by legislative action, no longer a public utility subject to regulation by the TRA, there is no mechanism to require or enforce AT&T to reduce rates to its customers.

Accordingly, the Coalition does not believe that further adjustments should be required. The Coalition further submits that maintaining access rates for its members at present levels should provide a level of contribution that is reasonable.

The Coalition further submits that any other proposed changes to the system of establishing access rates or cost recovery should not be considered in this docket. This is not the

forum for establishing access reform. There already is an existing docket, No. 97-00888, in which this and other related issues can be considered in the full context of access reform and universal service funding.

At this point, no specific proposal has been suggested to change the structure of CCL access rate-setting in Tennessee. In the event that other interested parties make such proposals, the Coalition respectfully reserves its right to comment on those proposals once they have been presented.

Respectfully submitted,



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*Attorneys for The Tennessee Small Local
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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the Comments of the Tennessee Small Local Exchange Company Coalition has been served on the following, via U.S. Mail, postage prepaid, on this the 17 day of October, 2001:

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